

January 2, 2019



**NORTH CAROLINA HOUSING FINANCE AGENCY
3508 Bush Street
Raleigh, North Carolina 27609**

RFP #FA2019

January 2, 2019

Proposals must be submitted no later than 5:00 PM, EST
Wednesday, January 23, 2019

Direct all inquiries concerning this RFP to:

Kevin Brodie
Manager of Finance
Email: kdbrodie@nchfa.com

Section 1. Guidelines for Request for Proposals

1.1 Introduction and Objectives

The North Carolina Housing Finance Agency (“NCHFA”) is seeking proposals from qualified firms to act as a financial advisor for NCHFA as specified in this Request for Proposal (“RFP”). NCHFA is an agency and instrumentality of the State of North Carolina existing pursuant to Chapter 122A, as amended, of the General Statutes of North Carolina.

NCHFA intends to select a financial advisor (“Vendor”) who will consult with NCHFA staff, Board of Directors, bond counsel, trustee, underwriters, and the North Carolina Local Government Commission. It shall be the Vendor’s responsibility to read and comply with all the terms and specifications of this RFP. If Vendors have any questions, issues or exceptions regarding any term or other component within this RFP, they must be submitted in accordance with section 1.3 below. By delivering a response to this RFP, Vendor agrees that any additional or modified terms and conditions, whether submitted purposely or inadvertently, shall have no force or effect, and will be disregarded by the NCHFA.

NCHFA’s primary objectives are the following:

- To facilitate the purchase of affordable housing by offering mortgage loans to qualified borrowers (both single-family and multifamily) at the lowest possible interest rate consistent with sound fiscal management.
- To provide sustainable funding sources and programs to meet the needs of North Carolinians with low and moderate incomes.
- To continuously review and optimize NCHFA’s investments and financial structures to obtain the optimal rates of return in a changing economy.

To meet these objectives, the following parameters have been established for the NCHFA programs:

- Maintain single family and multifamily mortgage rates at an economically attractive level;
- Use excess funds in the most efficient manner to support other housing programs;
- Evaluate different financing structures that produce the desired outcome for the borrower while maximizing resources within NCHFA; and
- Continue to provide uninterrupted single-family program funding in a manner such that the NCHFA’s customers (lenders and home buyers) have a continuous supply of funds and are not affected by the characteristics of individual bond transactions or financing structures.

1.2 Schedule of Events (Tentative)

All proposals are due by 5:00 pm, EST, Wednesday, January 23, 2019. NCHFA will review the proposals and schedule oral presentations shortly thereafter. The notification of the appointment of financial advisor will be sent no later than April 15, 2019.

1.3 Questions or Requests for Additional Information

NCHFA will accept questions and inquiries from all potential Vendors. Potential Vendors may submit their questions or inquiries via e-mail to the following:

Kevin Brodie, Manager of Finance
North Carolina Housing Finance Agency
3508 Bush Street
Raleigh, North Carolina 27609-7509
kdbrodie@nchfa.com

Note: Phone calls will not be accepted.

NCHFA reserves the right to decline to respond to any question or inquiry that will cause an undue burden or expense for NCHFA. If information is conveyed by NCHFA through the responses to questions that, in the judgment of NCHFA, would give any potential respondent an advantage over the other respondents, NCHFA will post such further information as well as this RFP on its website at the following web address:

<https://www.nchfa.com/about-us/requests-proposals>

Within the following link, you will find NCHFA's most recent audited financial statements, official statements and continuing disclosure reports:

<https://www.nchfa.com/press-investors/investors>

To provide NCHFA sufficient time to respond to questions and post responses to its website, the deadline for submitting questions is Monday, January 21, at 5:00 PM EST.

1.4 Submission of Proposals

Six original written proposals, **including originals of this executed RFP executed by the Vendor**, must be placed in a sealed envelope or package and must be received by 5:00 pm (EST), Wednesday, January 23, 2019. In addition, proposals must also be provided in word-searchable pdf format. The pdf form of the proposal can be e-mailed to kdbrodie@nchfa.com. If it is not possible to e-mail the information, please provide a disk in the package that is mailed to NCHFA with the hard copies of the proposal. Applicants may deliver their proposal by hand, U.S. mail or other overnight delivery to Kevin Brodie, Manager of Finance, at the address set forth above. Packages should be clearly marked with 1) Vendor name, 2) the RFP number; and 3) and the due date.

NCHFA requires the applicant to follow the formatting described below when submitting its proposal:

- A. Each response to this RFP will include a Table of Contents.
- B. The total response to the RFP is limited to 20 pages or fewer. This page limit does not include resumes.

By submitting a proposal, the applicant agrees to the following:

- To the extent permitted by applicable statutes and rules, NCHFA will maintain as confidential trade secrets in its proposal that the Vendor does not wish disclosed. As a condition to confidential treatment, each page containing trade secret information shall be identified in boldface at the top and bottom as “CONFIDENTIAL” by the Vendor, with specific trade secret information enclosed in boxes, marked in a distinctive color or by similar indication. Cost information shall not be deemed confidential under any circumstances. Regardless of what a Vendor may label as a trade secret, the determination whether it is or is not entitled to protection will be determined in accordance with G.S. 132-1.2. Any material labeled as confidential constitutes a representation by the Vendor that it has made a reasonable effort in good faith to determine that such material is, in fact, a trade secret under G.S. 132-1.2. Vendors are urged and cautioned to limit the marking of information as a trade secret or as confidential so far as is possible. If a legal action is brought to require the disclosure of any material so marked as confidential, NCHFA will notify Vendor of such action and allow Vendor to defend the confidential status of its information.
- Applicants will respond to all requirements in this RFP and comply with any terms and conditions outlined in the RFP. Failure to do so may result in disqualification of the proposal.
- All costs incurred in preparation of a proposal shall be borne by the applicant. NCHFA shall not contribute in any way to recovering the cost of proposal preparation.
- Proposals received after the deadline may not be reviewed. It is the sole responsibility of the applicant to ensure its proposal is complete, accurate, responsive to the requirements, and received on time. Proposals not complying with the requirements of the RFP may not be reviewed.

1.5 Right to Request Additional Information

NCHFA reserves the right to request any additional information to assist in the review process, including requiring oral presentations of proposals to NCHFA staff members and/or NCHFA’s Review Committee.

1.6 Right to Reject Proposals and Cancel RFP

NCHFA reserves the right to reject any proposals at any time. NCHFA reserves the right to cancel, withdraw, modify or reissue this RFP at any time for any reason.

1.7 Contract

The Vendor selected to provide the financial advisory services described in this RFP would be expected to complete and submit a mutually agreed upon contract covering the Scope and Terms of this RFP.

1.8 Other Terms

The Vendor must perform to NCHFA's satisfaction should the Vendor be selected to sign a contract. Once the contract is signed, any failure of the Vendor to provide the designated principal representatives to attend meetings, provide data, or to provide any other services which have been requested by NCHFA may be considered a breach of performance and may result in immediate termination.

NCHFA reserves the right to change or eliminate the financial advisor for reasons including, but not limited to, the following:

1. Personnel changes;
2. Mergers or acquisitions of firms;
3. Sanctions or limitations imposed by the SEC, NASD, or other entity;
4. Unsatisfactory performance;
5. Actual or apparent conflicts of interest; and
6. Elimination of need for financial advisor.

NCHFA reserves the right to the following:

1. Amend, modify or withdraw this RFP;
2. Review any requirements of this RFP;
3. Require supplemental statements or information from any responding party;
4. Accept or reject any or all proposals hereto;
5. Extend the deadline for submission of proposals hereto;
6. Negotiate or hold discussions with any firm and to correct deficient proposals which do not completely conform to the instructions contained herein;
7. Cancel or reissue this RFP, in whole or in part, if NCHFA deems it in its best interest to do so;
8. Hold a pre-proposal conference, at NCHFA's option, with all potential proposers, to answer questions and provide applicable information as necessary;
9. Interview proposers prior to selection;
10. Enter into an agreement with one or more firms; and
11. To engage one or more firms to act solely as financial advisor(s).

NCHFA may exercise the foregoing rights at any time without notice and without liability to any respondent or any other party for its expenses incurred in the preparation of responses hereto or otherwise, subject to any legal restrictions applicable to NCHFA. Proposals in response to this RFP will be prepared at the sole cost and expense of the responding party.

Section 2. Scope of Services

Although NCHFA will be working with the Vendor as a member of its team, this team may be expanded if another vendor brings additional value to a transaction. (It is also possible that NCHFA would not use the Vendor for a transaction brought to NCHFA by another vendor.) Nothing in this RFP or in the contract is intended nor shall be construed as creating any exclusive arrangement with any vendor. The services contemplated under this RFP, and subsequently the contract, shall not restrict NCHFA from acquiring similar, equal or like services from other vendors, entities or sources.

Services to be provided to NCHFA may include, but are not limited to, the following:

2.1 Financial Advisor for Bond Portfolio

- A. Examining, evaluating and formulating a sound and flexible financing program, including short-term and long-term financing options, that take into consideration NCHFA's objectives, existing debt structure, prepayment speeds, volume cap, the timing of capital projects, tax regulations, and the climate in the capital markets;
- B. Advising on the need for and selection of national and local underwriters or the acceptance of an offer to purchase from an investor in the case of a private placement or direct purchase;
- C. Providing financial analyses and expert advice to NCHFA in all the areas of a financing, including the evaluation of structures proposed by underwriters, timing, method of sales (competitive versus negotiated), strategies, economic considerations, market conditions, maturity structures, interest rates, redemption provisions, debt service requirements, fees and compensation for services (underwriter, trustee and bond counsel), evaluation of syndicate members, settlement and post-settlement analyses, etc.;
- D. Preparing consolidated and standalone cash flows, 10-year rule analyses, 32-year rule analyses, monthly bond call books, bond redemption analyses, yield analyses, debt service and insurance reserve analyses, universal cap analyses, and assisting in preparation of yield memorandum for arbitrage certificates and rebate returns, as requested;
- E. Providing analyses and expert advice to NCHFA for derivative financial products including interest-rate swaps, caps and collars when requested, and assisting NCHFA in the evaluation of and process of obtaining liquidity providers and remarketing agents, as necessary;
- F. Providing analyses or participating in meetings as needed with the rating agencies, credit enhancement providers, institutional investors, underwriters, and other bond professionals, as requested;
- G. Evaluating the results of each negotiated bond sale including, but not limited to, the performance of each member of the underwriting syndicate (orders and allocations);
- H. Periodically reviewing NCHFA's debt redemption provisions and recommending, when appropriate, debt refunding and/or refinancing;
- I. Preparing ongoing weighted average mortgage rate analyses to determine the creation and use of zeroes in the trust indentures;
- J. Evaluating opportunities for sales of MRB loans, whether to individual investors or to the cash window, as well as evaluating opportunities for NCHFA payoffs of loans that are in default; and
- K. Advising on bond redemption strategies.

2.2 Evaluating Best Execution Options for NCHFA's MRB and TBA Portfolio

- A. Reviewing the structure of the FirstHome Mortgage and the NC Home Advantage Mortgage products to provide optimal production while serving the needs of NCHFA's borrowers;
- B. Evaluating hedging options available to NCHFA and provide analyses or advice on methods of hedging, including third party hedging, self-hedging and selling at the cash window;
- C. Evaluating benefits of Fannie Mae, Freddie Mac or GNMA seller/servicer status for NCHFA; and
- D. Evaluating sources of funds for and structure of down payment assistance for the MRB-funded and TBA-funded mortgages.

2.3 Special Projects

- A. Keeping NCHFA informed about housing programs and/or financing structures previously implemented or being implemented by other issuers;
- B. Reviewing NCHFA's reserves and financing options to create new and sustainable programs;
- C. Examining, evaluating and providing financial analyses and reports in response to proposals received by or initiated by NCHFA;
- D. Reviewing NCHFA's current investments and evaluating other investment options available to NCHFA under its statutory guidelines, including the presentation of new investment opportunities to NCHFA for review and consideration, and providing advice to NCHFA on whether to consider pursuing statutory changes;
- E. Providing financial analyses and reports for non-bond programs and general funds as requested by NCHFA;
- F. Attending meetings not related to specific debt issuances; and
- G. Providing other financial advisory services as requested by NCHFA and its Board of Directors.

If the financial advisor discontinues its municipal financial advising services through a sale, merger or other business decision or NCHFA decides to terminate the contract, the financial advisor must supply NCHFA with an electronic version of all its work papers and spreadsheets in their original format (i.e. excel, DBC, cfX, etc.).

Section 3. Required Information to be provided in Response to Proposal

3.1 General Information

- A. Provide a brief description of the organizational structure and size of the part(s) of your firm that provide services to state housing finance agencies (“state HFAs”).
- B. Provide resumes and locations of personnel to be assigned to NCHFA’s account. Key personnel assigned to NCHFA’s account must have at least three years of experience with the issuance of single family and multi-family housing revenue bonds for state housing finance agencies. Include their current responsibilities and indicate the state HFA clients to which they are assigned, in what capacity and what percentage of their time is devoted to the clients. Also, please provide an estimated percentage of each professional’s time that will be devoted to NCHFA.
- C. Provide a list of all entities with which your firm has relationships that create, or appear to create, a conflict of interest with the work that is contemplated in this RFP. The list should indicate the name of the entity, the relationship, and a discussion of the conflict.
- D. Confirm that your firm is registered with the SEC as a Municipal Advisor pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act and that all personnel who would provide services to NCHFA are compliant with the requirements for such a Municipal Advisor.

3.2 Experience

- A. Complete the matrix in Addendum B to reflect the state HFAs you have served over the past five years in the capacity of financial advisor to the state HFA, not as an underwriter or broker/dealer, including the following information for each state HFA:
 1. Date your service began with the state HFA;
 2. Date your service ended with the state HFA (if applicable);
 3. Whether the state HFA uses TBA, bonds or both as a current method of financing;
 4. Whether the state HFA uses a master servicer, whether it services in-house, or whether it uses a subservicer;
 5. Whether the state HFA’s MRB mortgage portfolio is whole loans, MBS or both; and
 6. Indicate which state HFAs for which you provide the following services or calculations:
 - i. Preparation of consolidated cash flows
 - ii. Preparation of standalone cash flows for individual bond deals
 - iii. 10-year and 32-year rule computations and universal cap calculations
 - iv. Bond calls
 - v. Arbitrage rebate returns
 - vi. TBA hedging
 - vii. Swap advisory services
 - viii. Investment advice
 - ix. Servicing advice
 - x. Advice on the structure of programs
 - xi. Services you provide to HFAs other than those listed above

Elaborate on any services listed in the matrix that you propose to perform as NCHFA's financial advisor.

- B. Please provide the number of professionals (not administrative personnel) in your firm as of the following dates:
- January 1, 2014
 - Current

Please explain any unusual fluctuations in your number of professionals in the past five years and the impact on your firm's ability to provide service to its customers. Also, please let us know if you anticipate making any changes to your professional staffing in the next twelve months.

- C. Please provide your experience with businesses in North Carolina, including any experience that you have had with NCHFA.

3.3 Financing Recommendations

- A. Describe instances in which you have worked with state HFAs on evaluating whether the state HFA should employ the services of a best efforts delivery hedger, whether it should self-hedge, or some combination of both.
- B. Describe analyses that you have performed comparing TBA-financing versus MRB-financing to determine best execution.
- C. Describe instances in which you have recommended cross calling, the savings it produced and whether it had an impact on the marketability of future sales of bonds.

3.4 Computer Resources

Describe all software that would be used in serving as NCHFA's financial advisor, including cash flow and yield calculation software. Specify whether it is internally developed or purchased software.

3.5 Litigation

Please identify any material litigation, administrative proceedings or investigations in which your firm is currently involved, or which may be threatened against your firm or which have been settled during the past five years. In addition, provide information on litigation, material or immaterial, relating to Question 3.1C.

3.6 Fees

- A. Itemize your fees for your services for the items below as a la carte pricing, all-inclusive pricing, or hourly billing, where appropriate:
- Consolidated cash flows
 - Preparing consolidated cash flows for rating agencies, delivered annually, or by bond issue if issues are more frequent.
 - Preparing bond projection footnote figures for the audited financial statements.

- Bond calls
 - Preparing monthly bond calls, including debt service reserve calls.
 - Providing bond call documentation to the trustee sufficient to provide instructions to call the bonds.
- Transactions and proposals
 - Serving as financial advisor on any bond issuance.
 - Analyzing outside proposals to NCHFA for transactions or contracts, as requested.
- Other financial and investment analysis
 - Analyzing ad-hoc requests such as prepayment projections, swap unwind analysis, etc.
 - Evaluating, recommending, discussing and bidding with third parties regarding NCHFA investment opportunities.
 - Evaluating hedging practices, including an analysis of using a third-party hedger versus self-hedging.

FINAL FEE SCHEDULE WILL BE SUBJECT TO NEGOTIATION.

3.7 Additional Information

Discuss any topics not covered in this Request for Proposal and/or ideas that you would like to bring to the attention of NCHFA.

Section 4. Evaluation Process and Award

4.1 Minimum Evaluation Requirements

A Review Committee will evaluate the responses to this RFP. Each proposal will be evaluated to ensure that the applicant has complied with each section of this RFP and followed the formatting, organizational and submission requirements as described in this RFP. NCHFA reserves the right to waive any minor informality or technicality in proposals received.

Vendors are advised this is a request for offers, not an offer or request to contract, and NCHFA reserves the unqualified right to reject all offers at any time if such rejection is deemed to be in the best interest of NCHFA.

4.2 Determination Criteria

The selection of a financial advisor will be made by NCHFA based upon the advice of the Review Committee. NCHFA will not make an award based solely on the lowest price offered. The award will be based upon the criteria below with the objective of receiving the highest quality financial advisory services at affordable prices.

NCHFA will award the Vendor with the most effective combination of qualifications, quality of services to be provided, understanding of the financial advisory services needed, and demonstration of the ability to identify and analyze key issues, experience with similar services, assurances and availability of key personnel, benefits to the State of North Carolina, and costs.

The evaluation of the submitted responses to the RFPs will be based on the following criteria:

- Specific technical expertise and capacity to be dedicated to NCHFA
- Experience with state HFAs
- References
- Proposed cost
- Avoidance of any potential conflict of interest

Award of a contract to one vendor does not mean that the other proposals lacked merit, but that, all factors considered, the selected proposal was deemed most advantageous and represented the best proposal all things considered for NCHFA.

If your firm is selected for an interview, only Key Personnel who are expected to service NCHFA's account on a day-to-day basis should make the oral presentation. A Vendor will be selected based upon the contents of their written proposal, oral presentation, and Review Committee interview.

As of the date of this request for proposal, there shall be no communications between any proposer and any NCHFA board member, NCHFA staff, Trustee, Local Government Commission, or bond counsel concerning the financial advisor selection process, other than with Kevin Brodie, (919) 981-5018, concerning the selection process, the contents of a Vendor's proposal or qualifications, the contents of another Vendor's proposal or qualifications or ability to perform the contract, and/or the transmittal of any other communication of information that could be reasonably considered to have the effect of directly or indirectly influencing the evaluation of proposals and/or the award of the contract. Any violation of this request will be considered a basis for disqualification unless it is determined by NCHFA, in NCHFA's discretion, that the communication was harmless, that it was made without intent to influence and that the best interest of NCHFA would not be served by the disqualification. Only those discussions, communications or transmittals of information authorized or initiated by NCHFA for this Request for Proposal or general inquiries directed to NCHFA regarding the requirements for this Request for Proposal are accepted from this provision.

Section 5. Requirements

By submitting a proposal, the Vendor agrees to meet all NCHFA stated requirements in this section as well as any other specifications, requirements and terms and conditions in this RFP. In addition, vendor agrees to NCHFA General Terms and Conditions attached as Addendum A hereto and made a part hereof.

5.1 Contract Term

The period during which the Vendor will continue as financial advisor, unless otherwise terminated in accordance with the contract, is three years. At the end of the contract's term NCHFA will have the option, in its sole discretion to renew the contract on the same terms and conditions for up to a total of two additional one-year terms. NCHFA will give the Vendor written notice of its intent to exercise each option no later than 30 days before the end of the contract's then current term.

5.2 Pricing

Proposal prices shall constitute the total cost to NCHFA for complete performance in accordance with the requirements and specifications herein. Vendor shall not invoice for any amounts not specifically allowed for in this RFP.

5.3 Invoices

Invoices will be billed by project as charges are incurred and are payable within 30 days of the date of the invoice. NCHFA may, upon notice to the Vendor, withhold payment for work not performed in compliance with the contract and/or reasonably question any item reflected on the Vendor's invoices. Pending the settlement or resolution of the issue(s), the non-payment shall not constitute a default of the contract. NCHFA shall pay all amounts due that are not in dispute.

5.4 Conflicts of Interest

According to N.C.G.S. § 133-32 it is unlawful for any contractor, subcontractor or supplier who (1) has a contract with a governmental agency, (2) has performed under such a contract within the past year, or (3) anticipates bidding on such a contract in the future, to make gifts or to give favors to any officer or employee of a governmental agency. By execution of this RFP, you attest that you are not aware that any such gift has been offered, accepted, or promised by any employees of your organization, and you agree to ensure the employees of your organization comply with N.C.G.S. §133-32.

5.5 References

Vendors shall provide at least three references for which your company has provided services of similar size and scope to those proposed herein for NCHFA. NCHFA will contact these references to determine if the services provided are substantially similar in scope to those proposed herein and Vendor's performance has been satisfactory.

All Vendors submitting proposals under this RFP must execute this RFP below and return it with their proposal.

EXECUTION

In compliance with this Request for Proposal, and subject to all the conditions herein, the undersigned offers and agrees to furnish and deliver any or all items upon which prices are bid, at the prices set opposite each item within the time specified herein. By executing this proposal, the undersigned certifies that this proposal is submitted competitively and without collusion (G.S. 143-54), that none of its officers, directors, or owners of an unincorporated business entity has been convicted of any violations of Chapter 78A of the General Statutes, the Securities Act of 1933, or the Securities Exchange Act of 1934 (G.S. 143-59.2), and that it is not an ineligible Vendor as set forth in G.S. 143-59.1. False certification is a Class I felony. Furthermore, by executing this proposal, the undersigned certifies to the best of Vendor's knowledge and belief, that it and its principals are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from covered transactions by any Federal or State department or agency. As required by G.S. §143-48.5, the undersigned Vendor certifies that it, and each of its sub-Contractors for any contract awarded because of this RFP, complies with the requirements of Article 2 of Chapter 64 of the NC General Statutes, including the requirement for each employer with more than 25 employees in North Carolina to verify the work authorization of its employees through the federal E-Verify system. G.S. 133-32 and Executive Order 24 (2009) prohibit the offer to, or acceptance by, any State Employee associated with the preparing plans, specifications, estimates for public Contract; or awarding or administering public Contracts; or inspecting or supervising delivery of the public Contract of any gift from anyone with a Contract with the State, or from any person seeking to do business with the State. By execution of any response in this procurement, you attest, for your entire organization and its employees or agents, that you are not aware that any such gift has been offered, accepted, or promised by any employees of your organization.

Failure to execute/sign proposal prior to submittal shall render proposal invalid and it WILL BE REJECTED. Late proposals cannot be accepted.

VENDOR:		
STREET ADDRESS:	P.O. BOX:	ZIP:
CITY & STATE & ZIP:	TELEPHONE NUMBER:	TOLL FREE TEL. NO:
PRINCIPAL PLACE OF BUSINESS ADDRESS IF DIFFERENT FROM ABOVE:		
PRINT NAME & TITLE OF PERSON SIGNING ON BEHALF OF VENDOR:	FAX NUMBER:	
VENDOR'S AUTHORIZED SIGNATURE:	DATE:	E-MAIL:

Offer valid for at least 120 days from date of proposal opening. After this time, any withdrawal of offer shall be made in writing, effective upon receipt by the agency issuing this RFP.

ADDENDUM A

North Carolina Housing Finance Agency Addendum A to RFP # FA2019

Vendor agrees that these terms and conditions, as applicable, may be included in the contract awarded under the RFP.

- (a) Vendor represents and warrants that (i) it is and will continue to be duly organized, validly existing and in good standing under the laws of the state of its incorporation throughout the term of this Contract; (ii) it has the authority to enter into this Contract; and (iii) that the Contract is valid and binding upon the Vendor.
- (b) Vendor represents and warrants that the Services performed pursuant to this Contract shall be performed in a professional manner by individuals well qualified to perform such work, and agrees to provide NCHFA, on request, with information concerning the individuals' experience which affirms these qualifications.
- (c) Vendor agrees that it will not enter into any agreement with a third-party that may abridge any rights of NCHFA under the contract period. Vendor will serve as the prime contractor under the contract and shall be responsible for the performance and payment of all subcontractor(s) that may be approved by NCHFA.
- (d) Vendor warrants that it has the financial capacity to perform and to continue performing its obligations under the contract; that Vendor has no constructive or actual knowledge of an actual or potential legal proceeding being brought against Vendor that could materially adversely affect performance of this Contract; and that entering into the contract is not prohibited by any contract, or order by any court of competent jurisdiction.
- (e) Vendor agrees to procure and maintain in force during the term of this Contract, at Vendor's expense, a general liability policy in amount not less than one million dollars (\$1,000,000) or such other insurance policy that is reasonable and customary for the services provided under this Contract.
- (f) Any restrictions on the non-disclosure by NCHFA of Proprietary Information or Confidential Information set forth in the Contract shall not apply when and to the extent the Proprietary Information or Confidential Information is required to be disclosed by NCHFA under N.C.G.S. Chapter 132 regarding "Open Records" unless the records fall into an exception under the law.
- (g) Vendor or NCHFA may not assign any rights or obligations under the Contract without the prior written consent of the other which consent may be withheld in either party's sole discretion.
- (h) Vendor agrees that its records, documents, files and work product as they relate to the Contract, must be retained for a period of 5 years, or as otherwise required by NCHFA, and shall be accessible to NCHFA and its auditors, including the North Carolina State Auditor's Office. Within a reasonable time after NCHFA's request, Vendor shall promptly deliver all material, records, documents, and files as they relate to the services provided under the Agreement. No records shall be destroyed, purged or disposed of without the express written consent of NCHFA.

- (i) Vendor warrants and certifies that to its knowledge upon reasonable investigation, it is not currently under suspension or debarment by the federal government or by the State of North Carolina.
- (j) Vendor will comply with all applicable Federal and state laws and regulations as they relate to their business.
- (k) If applicable, Vendor agrees to comply with the requirement of N.C.G.S. 64-26(a) which requires private employers with 25 or more employees in the State of North Carolina to comply with the Federal E-Verify system for verification of all employees' legal work status.
- (l) N.C.G.S. § 133-32 and Executive Order 24 prohibit the offer to, or acceptance by, any State Employee of any gift from anyone with a contract with the State. By execution of the Contract, you attest, for Vendor and its employees which you are not aware that any such gift has been offered, accepted, or promised by any employees of your organization.
- (m) Vendor warrants and certifies that it is not currently under suspension or debarment by the federal government or by the State of North Carolina. Reference for US Government Debarred Vendors: <https://www.sam.gov> Reference for NC Debarred Vendors: <http://www.doa.state.nc.us/pandc/actions.asp>
- (n) The Contract may not be modified in any way except by written agreement signed by both parties. There are no other agreements either expressed or implied with regard to this subject matter.
- (o) This Contract shall be construed, governed and enforced by and in accordance with the laws of the State of North Carolina. Each party expressly consents to the jurisdiction of the courts of the State of North Carolina should litigation arise between the parties.
- (p) Vendor may not use the name, logo, trademarks or trade names of NCHFA in publicity releases, promotional material, customer lists, advertising, marketing or any other manner, whether written or oral.
- (q) NCHFA is a public agency and instrumentality of the State of North Carolina existing pursuant to N.C.G.S. Chapter 122A and any statement in the contract regarding NCHFA's indemnification of Vendor or agreement to hold Vendor harmless shall only be in a manner and to the extent permitted under applicable law.
- (r) NCHFA may, at its sole option, terminate any or all work outstanding, or any portion thereof, for any reason or for no reason, immediately upon written notice to Vendor. Upon receipt of notice of such termination, Vendor shall inform NCHFA of the extent to which performance has been completed through such date and deliver to NCHFA whatever work product and deliverables then exist in a manner prescribed by NCHFA. Vendor shall be paid for all work performed through the date of receipt of notice of termination as specified in the Contract.
- (s) Any reference to the Contract means the Contract as modified or amended by this Addendum. If any term of the Contract or this Addendum conflict, then the terms of this Addendum shall control.